



# Unaudited Consolidated Results

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**Management report 9M 2025**

iCotton Group



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# Harper Hygienics & iCotton

## Locations



The largest producer and seller of wet wipes, cotton buds and pads in Central and Eastern Europe.



Cutting edge manufacturing facilities in Poland and Latvia.



Proven partner in business across Europe, Middle East, Asia and Africa.

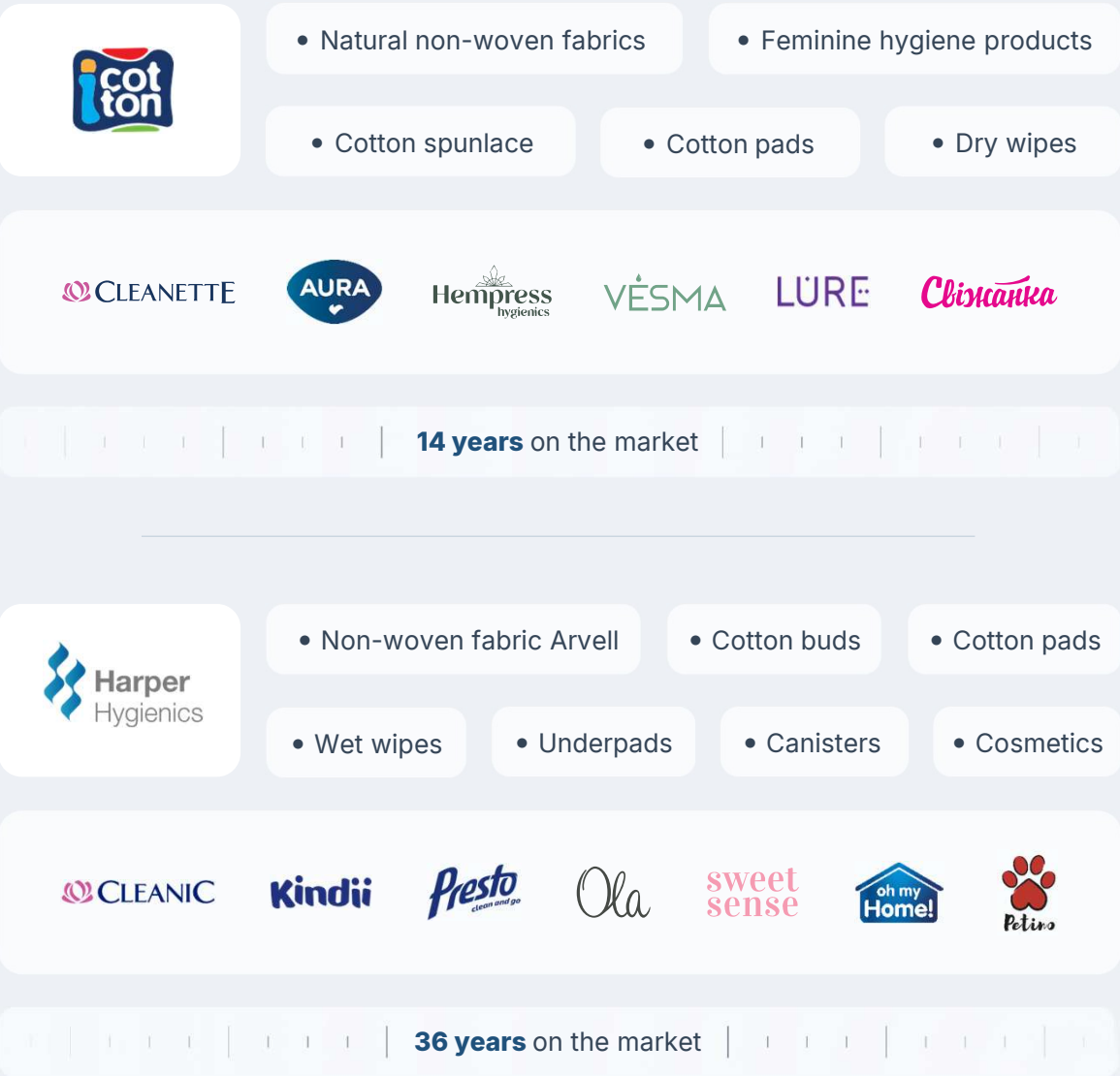
**iCotton**  
Liepāja, Latvia

**Harper Hygienics**  
Mińsk Mazowiecki, Poland

# Business Overview

Founded in 2011 in Liepāja, Latvia, iCotton is a leading Baltic producer of cotton and hygiene products. The iCotton group also includes the Polish company Harper Hygienics. The group produces cotton buds, pads, wet wipes, feminine hygiene products. Its main brands – Cleanic, Kindii, and Presto – are well known in Poland and other CEE countries for many years.

With production facilities in Liepāja (9,000 m<sup>2</sup>, 11 lines) and Warsaw (13,200 m<sup>2</sup>, 44 lines), iCotton group's turnover exceeded 47 million EUR in 9M 2025, with 45% from local markets and 55% from the EU and other exports.



# Highlights of 9M 2025



The iCotton Group recorded **revenue** of EUR 47.49 million for 9M 2025, representing a 7% increase from EUR 44.24 million in 9M 2024.

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According to the unaudited financial statement, the iCotton Group's **gross profit** amounted to EUR 15.57 million for 9M 2025, compared with EUR 12.16 million for 9M 2024. The **gross margin** rose from 27.5% to 32.8%, marking a 5.3 p.p. increase. This solid profitability growth reflects improved operational efficiency and a stronger overall cost structure over the period.

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iCotton and Harper Hygienics strengthened its **community impact** by supporting local events, educational and cultural initiatives, charity programs, international community activities, and safety services, reaffirming the company's commitment to **social responsibility**.

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The **baby care portfolio** under brand Cleanic and Kindii was enriched with solutions focused on natural, mild, and thoughtful care.

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The launch of **bottled liquid soap** production marks a step forward in product expansion and reinforces the company's **competitive position**.

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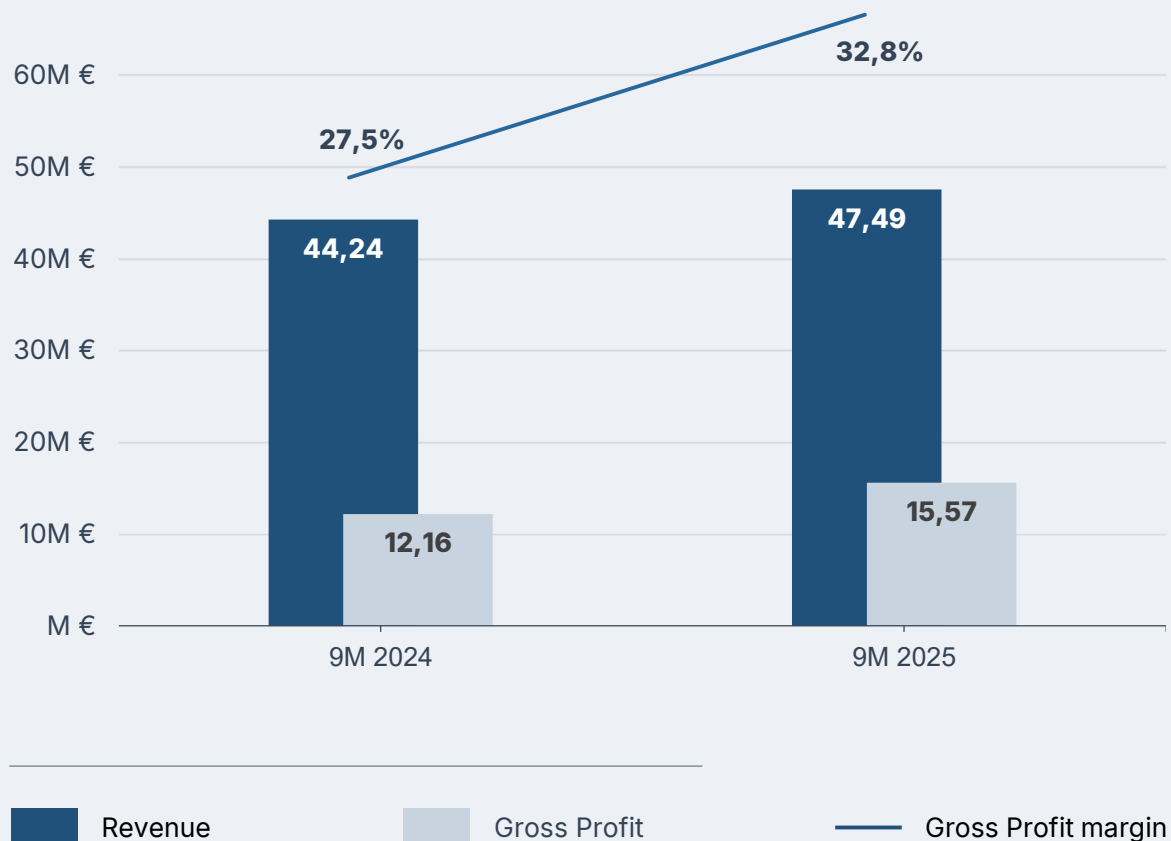
# Key Financials

## Revenue

The Group demonstrated **solid financial performance** in 9M 2025, supported by stable demand and continued **strengthening of its position** in key markets. Revenue increased from EUR 44.24 million in 9M 2024 to EUR 47.49 million in 9M 2025, confirming consistent growth tendency across core and export segments.

Gross profit rose from EUR 12.16 million to EUR 15.57 million over the same period, reflecting **improved production efficiency** and benefits from an optimized product portfolio. This performance underscores the effectiveness of ongoing operational initiatives.

As a result, gross profit margin increased from 27.5% to 32.8%, demonstrating stronger **cost control** and **enhanced value generation**. The Group remains focused on sustaining this positive development through continuous innovation and operational excellence.

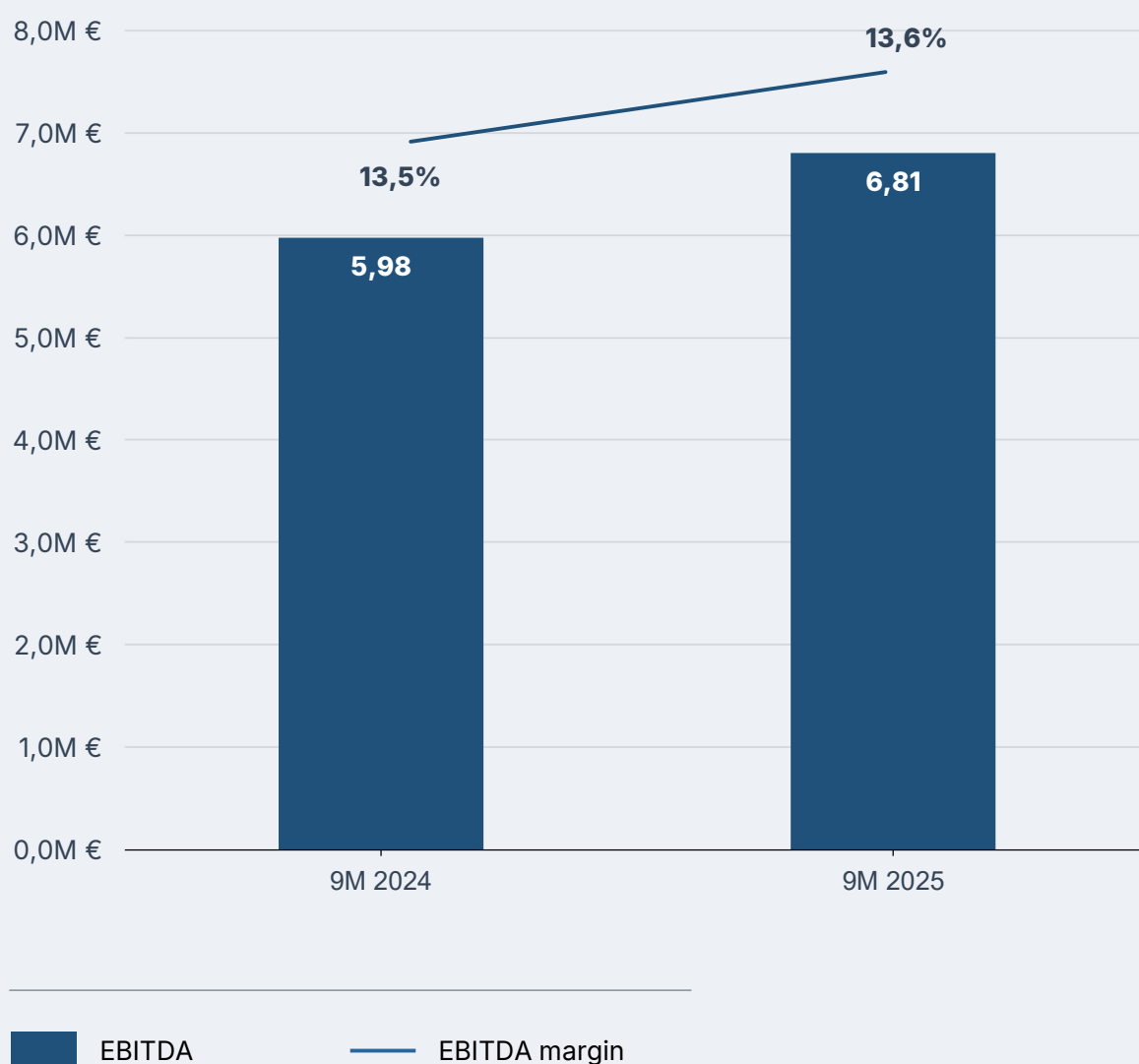


# Key Financials

## EBITDA

The Group recorded **EBITDA** of EUR 6.81 million for 9M 2025, compared with EUR 5.98 million in 9M 2024, representing a 13.8% increase. The **EBITDA margin** also improved slightly, rising from 13.5% to 14.3% (+0.8 p.p.).

This performance reflects stable operational efficiency and effective cost management, supporting the Group's **continued profitability**.



# Covenants & Ratios

The Group maintains a **solid financial position**, supported by growing revenue, stable EBITDA performance, and a positive working capital increase from EUR 15.9 million to EUR 24.5 million, ensuring adequate liquidity for ongoing operations.

The Debt/EBITDA ratio **improved significantly**, indicating a lower leverage level and a strengthened ability to **service debt** relative to operating earnings.

The Debt Service Coverage Ratio increased to x3.48 indicating **strengthened debt-servicing capacity**.

An equity ratio of 42% reflects a **balanced capital structure**, providing a solid foundation for further growth while prudently managing financial risk.

## Consolidated Covenants, kEUR

Indicator	Value
Revenue	47,486
EBITDA	6,806
WC	24,541
External net debt	31,344

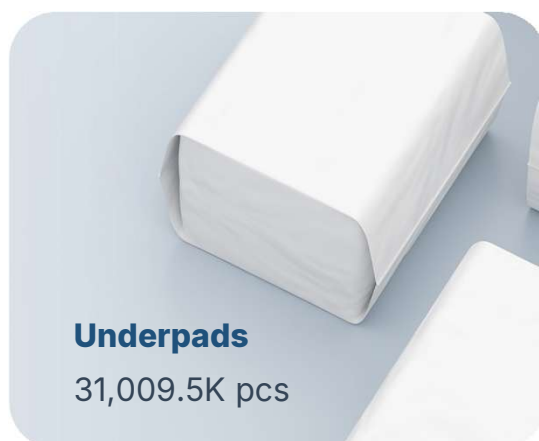
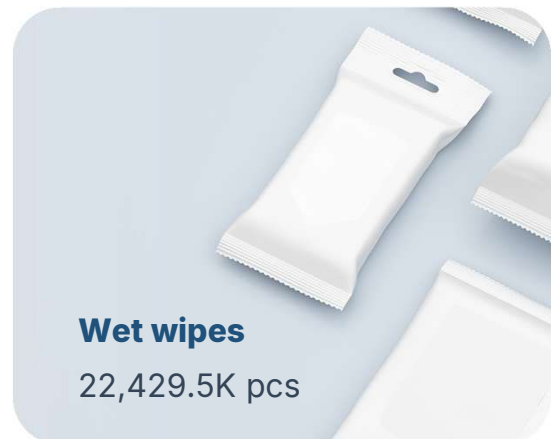
## Ratios

Indicator	Value
Equity ratio	42%
LTM DEBT/EBITDA	x3.13
DSCR	x3.48



# Production Performance 9M 2025

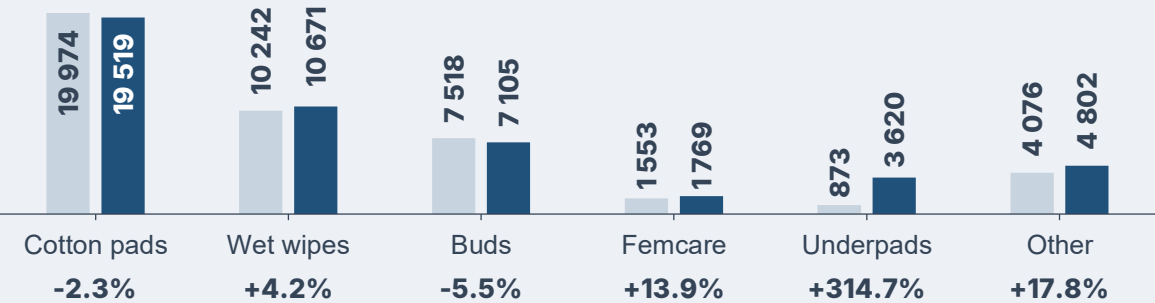
## Main Categories



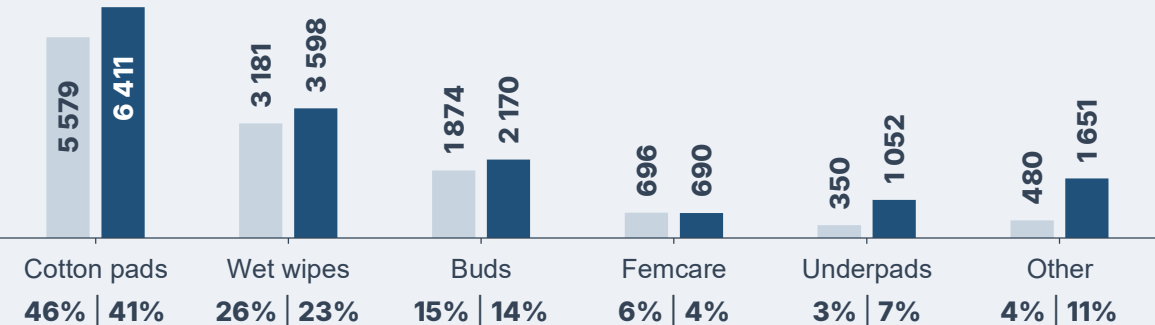
# Sales by Product Groups

The revenue distribution for 9M 2025 reflects mixed performance across product categories. **Cotton pads** decreased slightly by 2.3%, while **wet wipes** achieved moderate growth of 4.2%. **Cotton buds** declined by 5.5%, whereas **Femcare products** continued its upward trend with a strong 13.9% increase. **Underpads** posted exceptional growth of 315%, emerging as a key driver of overall portfolio expansion. The **Other** category also performed positively, rising by 17.8% and further supporting product diversification.

## Revenue Distribution by Product Categories, kEUR



## Gross Profit Distribution by Product Categories, kEUR



9M 2024

9M 2025

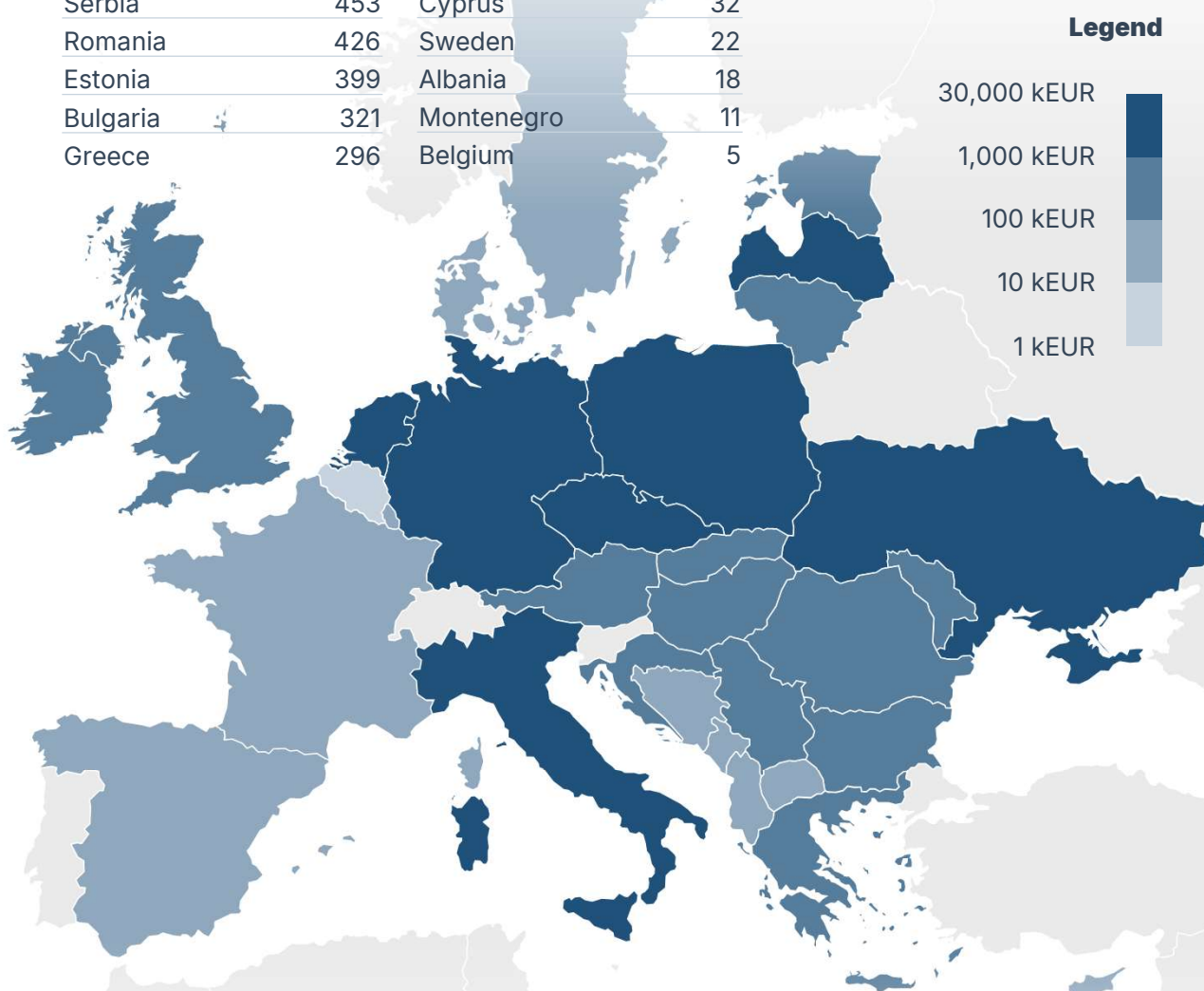
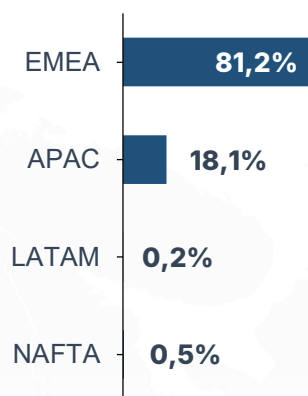
# Revenue Breakdown\*

\*For the period of 9M 2025

## Sales in Europe, Revenue, KEUR

Country	Revenue	Country	Revenue
Poland	21,443	Moldova	182
Ukraine	4,410	Slovakia	168
Czech Republic	3,634	Ireland	127
Germany	2,855	Croatia	122
Latvia	1,750	Kosovo	88
Italy	1,465	Luxembourg	73
The Netherlands	1012	Spain	70
Austria	730	North Macedonia	62
Hungary	652	Denmark	49
The UK	537	France	39
Lithuania	476	Bosnia	36
Serbia	453	Cyprus	32
Romania	426	Sweden	22
Estonia	399	Albania	18
Bulgaria	321	Montenegro	11
Greece	296	Belgium	5

## Sales by Region



# Income Statement

The Group's **total revenue** increased by 7.3%, from EUR 44,236k in 9M 2024 to EUR 47,486k in 9M 2025, supported by stable demand and strengthened market activity.

**Cost of sales** remained stable. The Group continues to prioritize operational efficiency and disciplined cost control to support profitability.

**Sales expenses** increased by 13.8%, reflecting expanded commercial activity and market outreach.

**Administration expenses** decreased by 3.3%, demonstrating effective cost management and ongoing optimization efforts across support functions.

## Income Statement, kEUR

Indicator	9M 2024	9M 2025
Revenue	44,236	47,486
Cost of sales	(32,076)	(31,914)
<b>Gross profit</b>	<b>12,160</b>	<b>15,572</b>
Sales expense	(5,663)	(6,443)
Administration expense	(4,859)	(4,698)
Other operating income	3,741	1,338
Other operating costs	(1,530)	(1,665)
Financial income	385	135
Financial costs	(2,656)	(2,278)
<b>Income before tax</b>	<b>1,578</b>	<b>1,961</b>
Corporate income tax	(258)	(463)
Net income	1,320	1,498
Depreciation	(2,130)	(2,702)
<b>EBITDA</b>	<b>5,979</b>	<b>6,806</b>

## KPIs

COGS as % of Revenue	73%	69%
Gross profit margin	27%	31%
EBITDA margin	14%	14%

# Balance Sheet

**Total assets** increased by 5.0%, reflecting a continued expansion of the asset base in line with business activity. **Inventory** rose sharply by 36.4%, indicating higher stock levels to support operational demand, while **trade receivables** grew by 20.3%, consistent with increased commercial activity.

**Total liabilities** also slightly increased, highlighting a moderate rise in external financing. **Equity** strengthened by 3.1%, demonstrating a solid capital base and sustained shareholder value.

## Balance Sheet, kEUR

Indicator	30.09.24	30.09.25
<b>Assets</b>		
Intangible assets	1,421	1,709
Fixed assets	52,554	51,099
Long-term financial investments	2,174	1,841
Deferred tax assets	4,028	3,354
Inventory	10,200	13,908
Trade receivables	17,245	20,741
Other current assets	547	570
Cash	987	408
<b>Total assets</b>	<b>89,157</b>	<b>93,630</b>
Share capital	13,333	13,333
Own shares or units	(5,183)	(5,183)
Undistributed profits	25,379	26,250
Profit or loss for the period	1,482	1,377
Non-controlling interest	2,737	3,148
<b>Equity</b>	<b>37,749</b>	<b>38,926</b>

# Balance Sheet

The Group **expanded** its **asset base**, supported by higher inventory levels and increased trade receivables, reflecting **sustained operational activity** and **growth**. Equity strengthened during the period, indicating a **solid capital structure** and continued reinforcement of the Group's **financial stability**.

## Balance Sheet, kEUR

Indicator	30.09.24	30.09.25
<b>Liabilities</b>		
LT Loans	10,000	9,412
LT Other loans	1,500	1,500
Bonds	16,604	17,610
Deferred income	4,112	4,112
LT leasing liabilities	348	400
ST Loans from banks	-	2,853
ST bonds	2,652	1,878
Advances received	3,941	5,196
Trade payables	7,782	7,158
Other payables	833	895
Other ST liabilities	374	1,672
ST liabilities (Leasing & Factoring)	3,262	2,990
<b>Total liabilities</b>	<b>51,408</b>	<b>54,704</b>

# Cash flow

## Cash Flow Statement, kEUR

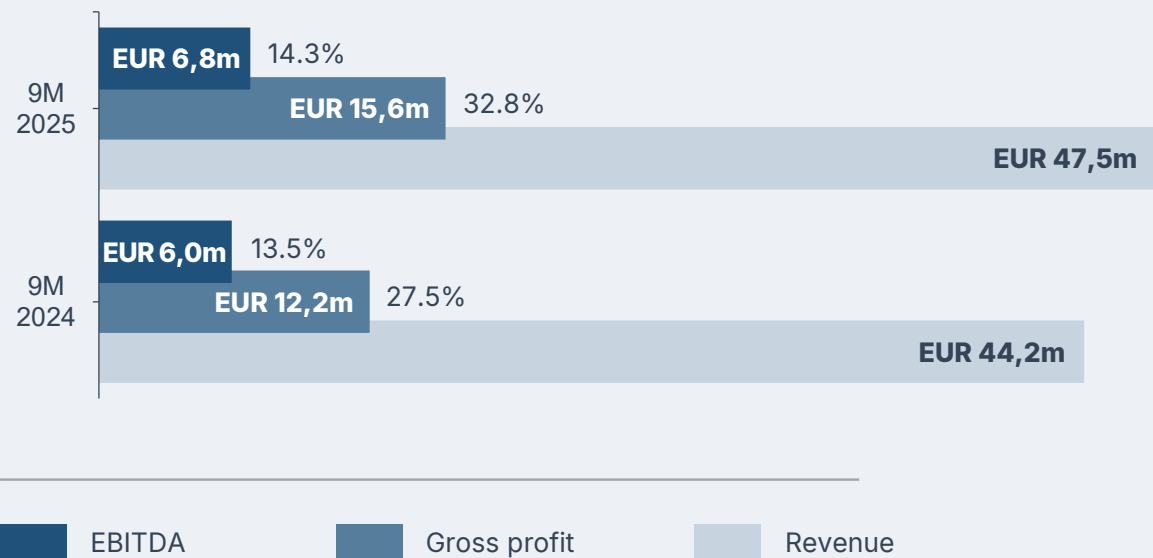
Indicator	9M 2024	9M 2025
<b>Cash Flow from Operating Activities</b>		
Net profit	1,319	1,499
Depreciation	2,130	2,702
Financial expenses and incomes	2,271	2,143
<b>Net cash flow from operating activities</b>	<b>5,720</b>	<b>6,344</b>
<b>Changes in working capital</b>	<b>(5,073)</b>	<b>(6,631)</b>
<b>Cash Flows from Financing Activities</b>		
Financial expenses and incomes	(2,271)	(2,143)
Loans	(13,562)	2,894
Leasing and factoring	(462)	571
Other	(1,030)	645
<b>Net cash flow from financing activities</b>	<b>(17,325)</b>	<b>1,967</b>
<b>Cash Flows from Investing Activities</b>		
CAPEX	(543)	(1,119)
Other	(1,030)	(332)
<b>Net cash flow from investment activities</b>	<b>(17,325)</b>	<b>(1,451)</b>
Cash - carry forward	18,323	179
<b>Net Cash Flow</b>	<b>(17,336)</b>	<b>229</b>
Cash - bring forward	987	408

# Key Performance Indicators

## Summary



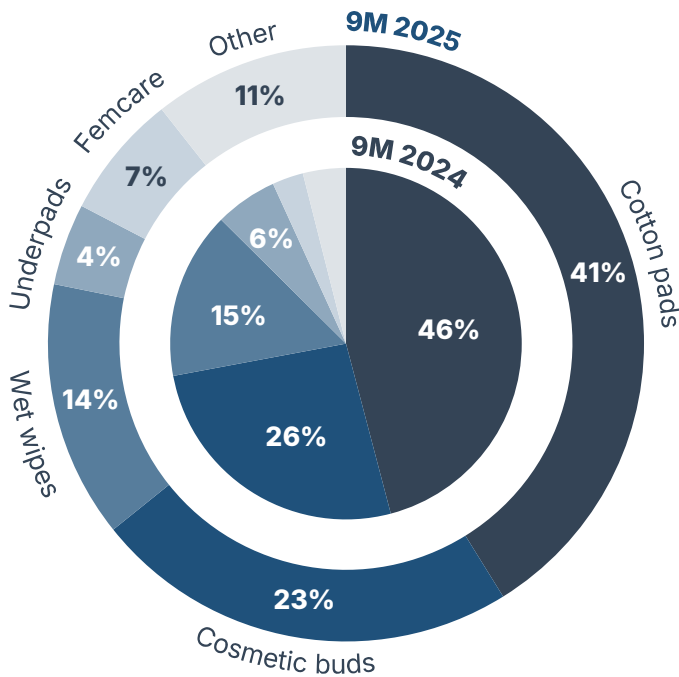
## Revenue





# Key Performance Indicators

## Consolidated EBITDA Build-up



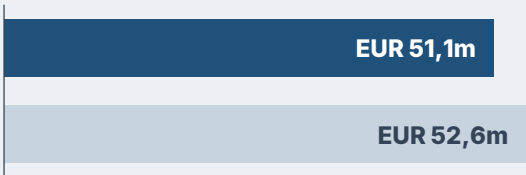
9M 2025 | 9M 2024

Cotton pads	41%	46%
Cosmetic buds	23%	26%
Wet wipes	14%	15%
Underpads	4%	6%
Femcare	7%	3%
Other	11%	4%

## Working Capital



## Fixed Assets



September 2024 (Actual) September 2025 (Actual)

Working capital remained broadly stable at excellent EUR 18.7 million, while fixed assets decreased to EUR 51.0 million, reflecting a modest reduction in the asset base.



## **iCotton SIA**

**Headquarter address:** Krumu 74, Liepaja, LV-3405, Latvia

**Reg. number** 42103057947

**Share capital:** EUR 13 333 300 | **Paid:** EUR 8 150 000

**SEPA codes:** LV92ZZZ42103057947 | **VAT number:** LV42103057947

The company is registered in the VAT register 30.12.2011

**Tel.:** +37163488522, +37128698559

**E-mail:** info@icotton.eu, sales@icotton.eu; www.icotton.eu

## **Harper Hygienics S.A.**

**Headquarter address:** Harper Hygienics S.A., Jerozolimskie Avenue 96,  
00-807 Warszawa, Poland (Building Equator II, XIII floor)

District Court for the capital city of Warsaw, 13th Business Division of KRS

**KRS No:** 0000289345 | **Share capital:** PLN 636 700

**NIP:** PL5210120598 | **REGON:** 002203701

**Tel.:** +48257598400

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